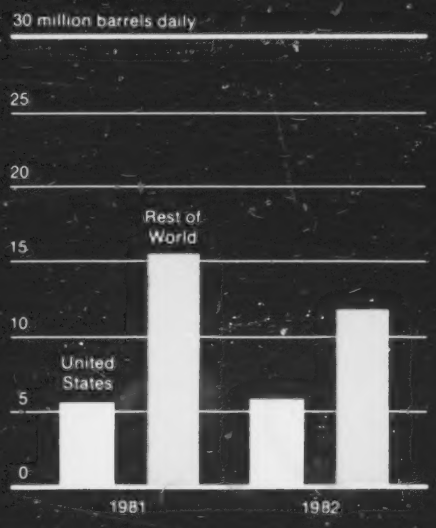
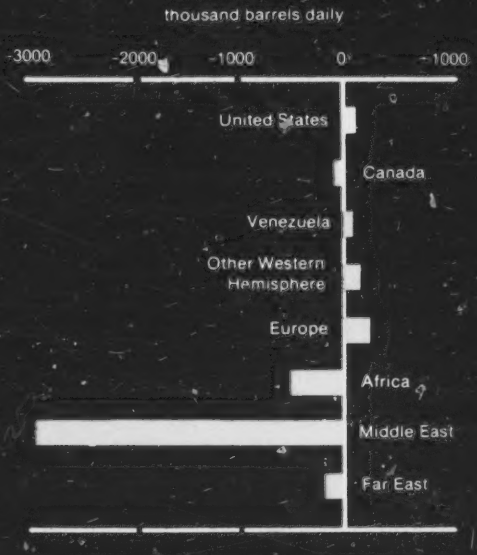
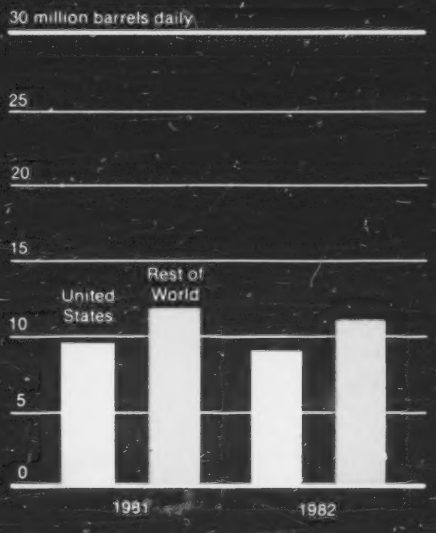
SOURCE OF CRUDE OIL . . .



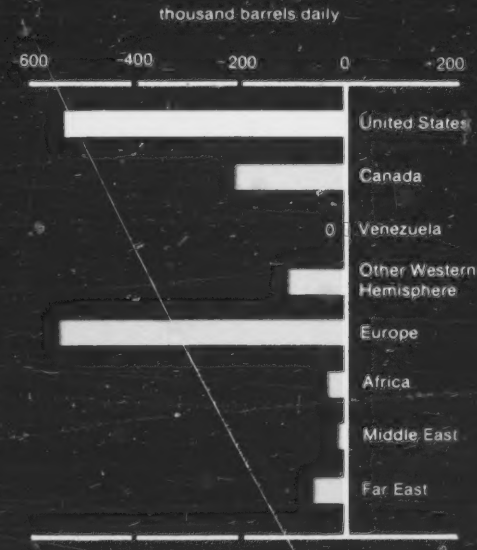
CHANGE FROM 1981



REFINERY CRUDE RUNS . . .



CHANGE FROM 1981

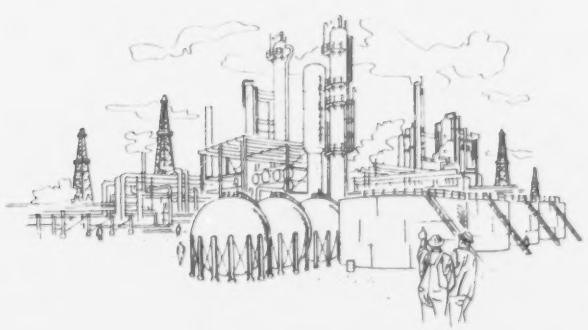


Western Hemisphere — the Group received an additional 41 thousand and 107 thousand barrels a day, respectively.

Refinery Crude Runs

The volume of crude oil processed by the Group in 1982 continued to fall for the third year in succession, primarily as a result of lower demand for petroleum products. Declining by an average of 1.5 million barrels per day, the Group's crude runs were reduced to 20.1 million barrels daily. This volume represents approximately 48 percent of the total crude oil refined in the non-Communist world in 1982, down from 49 percent the year before.

Crude oil intake in the Group's refineries was lower in each of the geographic sectors. Continuing the pattern of the two previous years, Europe and the United States again registered the greatest reductions in refinery throughput. In Europe, with the largest decrease of 546 thousand barrels a day, the Group processed nearly 5.6 million barrels on an average daily basis. The reduction in the United States was almost as large — 540 thousand barrels per day — as crude runs slipped to a daily average of slightly over 9 million barrels. The next largest decline — 201 thousand barrels a day — occurred in Canada, where the daily volume totaled 1.2 million barrels. On a percentage basis, however, a decrease of 14.6 percent for Canada was larger than the 8.9 percent for Europe and the 5.6 percent for the United States. The lowest percentage reduction — 2.1 percent — occurred in the Far East, where crude runs dropped by only 55 thousand barrels a day to 2.5 million. The combined crude runs for the rest of the areas (Other Western Hemisphere, Africa and the Middle East) constitute less than 9 percent of the Group's overall 1982 volume. None of the decreases recorded in any of these sectors exceeded 100 thousand barrels per day.



Revenue

The weaker demand for petroleum in 1982, together with slightly lower prices, resulted in a $40 billion decrease in gross operating revenue to $573.9 billion, 6.5 percent less than in 1981. This reduction was the first year-to-year drop in operating revenue registered by the Group since 1958. All sales categories recorded lower revenues from the year before.

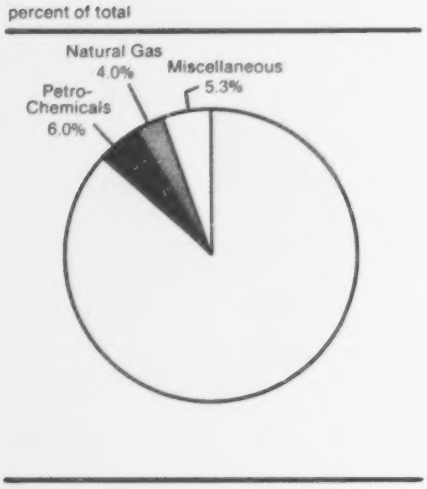
Decreasing to $486.2 billion, sales of crude oil and refined products accounted for $32.6 billion of the overall $40 billion reduction in operating revenue. Natural gas recorded the next largest decline — $5.5 billion — and the largest percentage decline — 19.4 percent — as reeipts from natural gas dropped to $23 billion. Revenue from the sale of chemical products showed the smallest deviation from 1981 levels, declining by $141 million to $34.2 billion. Various other operating activities contributed to $30.5 billion in sales, $1.8 billion lower than a year earlier.

The Group also received $11 billion in non-operating revenues, principally in the form of interest, dividends and equity in the earnings of affiliated companies. These sources provided $1.9 billion less than they did the previous year. Consequently, the combined revenue from operating and non-operating activities totaled $584.9 billion, a reduction fo $41.9 billion or 6.7 percent.

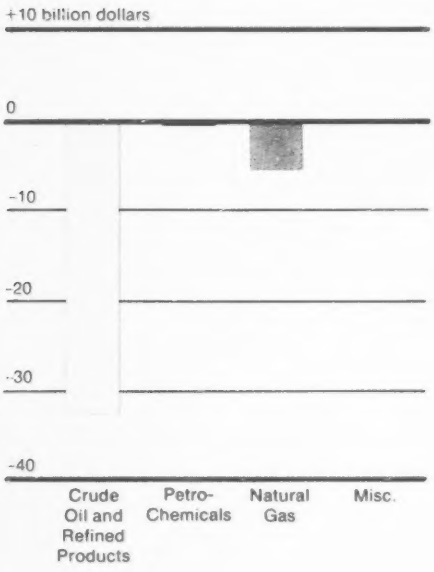
Charges Against Revenue

The same forces that led to lower production and revenues also contributed to lower overall expenses charged against revenue. However, the decline in total revenue was greater than the decline in total expenses. The bulk of the expense reduction occurred in operating costs, decreasing by $27.3 billion to $45 8 billion. Operating costs contain the many ongoing expenses of conducting busines, including the cost of acquiring crude oil. A major factor contributing to the drop

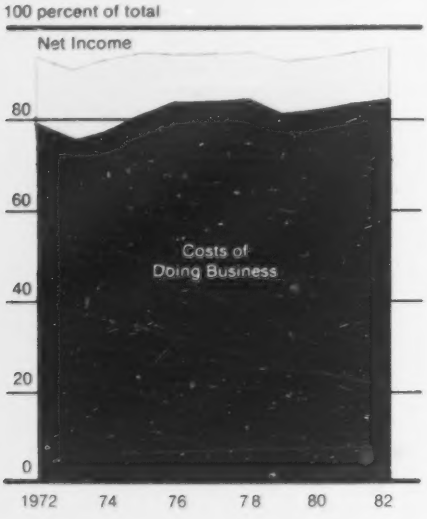
SOURCES OF REVENUE — 1982



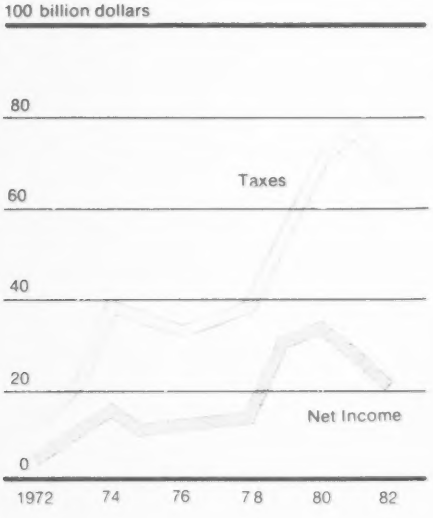
REVENUE DECREASES FROM 1981



COSTS, DIRECT TAXES AND NET INCOME AS PERCENT OF GROSS OPERATING REVENUE



NET INCOME IN RELATION TO TAXES



in operating costs was the decline in crude oil acquisition costs during 1982.

The only major expense category larger than 1981 was the capital recovery write-offs for depreciation, depletion and amortization. This increase of $4.3 billion, to a total of $30.6 billion, is a reflection of the dramatic rate of expansion in capital investments by the Group starting in the mid-1970's and intensifying even more during the past four years.

After increasing rapidly from $14.3 billion in 1979 to $23.2 billion in 1980 and $37.3 billion in 1981, taxes other than income taxes receded slightly by $1.7 billion in 1982 to $35.6 billion. This decline stemmed primarily from a decrease in the U.S. Windfall Profits Tax resulting from lower U.S. crude oil prices. The average price of crude oil produced in the U.S. declined 10.2 percent. The Group's income before income taxes was reduced to $51.9 billion, as opposed to $68.7 billion the year before. Consequently, income taxes decreased by $10.1 to $30.2 billion. In total, the Group's tax charge for 1982 amounted to $65.7 billion and was the equivalent of three times the earnings, compared to $77.5 billion of taxes in 1981 or 2.7 times the amount earned. In addition, the Group is required by government to collect and remit sales and excise taxes on petroleum products. Those taxes, however, are omitted from the revenue and taxes reported in this study. In total, the expense items charged against revenue absorbed 96.3 percent of total revenue, up from 95.5 percent in 1981.

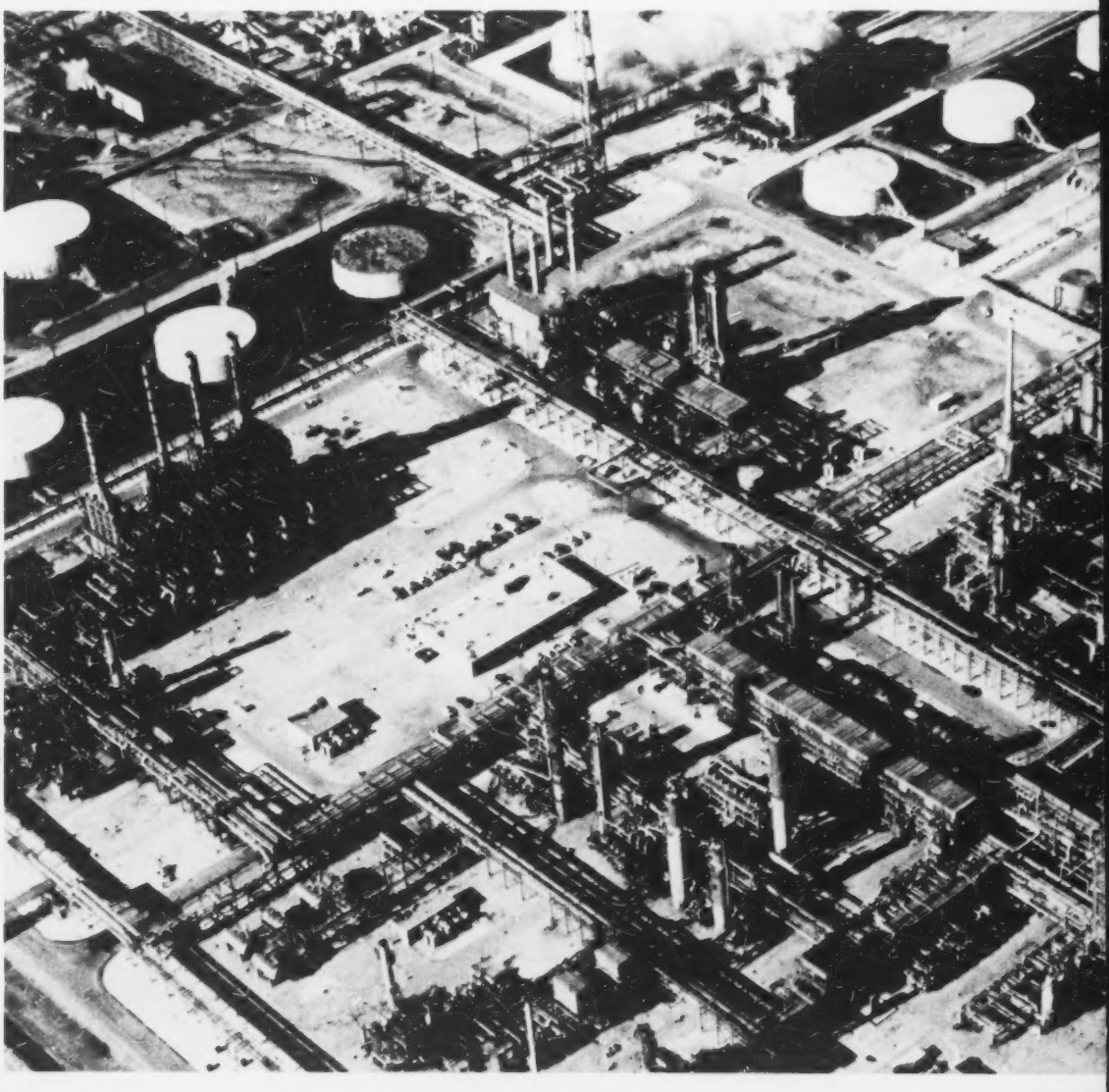
Net Income

The Group's net income in 1982 dropped substantially by $6.8 to $21.7 billion, 23.8 percent less than in 1981. Net income as a percent of total revenue continued it's downward slide. In 1979 net income represented 6.8 percent of total revenue, 5.9 percent in 1980 and, in 1981, 4.5 percent. In 1982 it slipped to 3.7 percent, the lowest percentage proportion of net income to total revenue ever recorded by the Group. Nearly two-thirds of the decrease in earnings was registered outside the United States, where profits plummeted by 34.2 percent to $8.2 billion. The decline in the United States was at a rate of 15.6 percent to $13.4 billion.

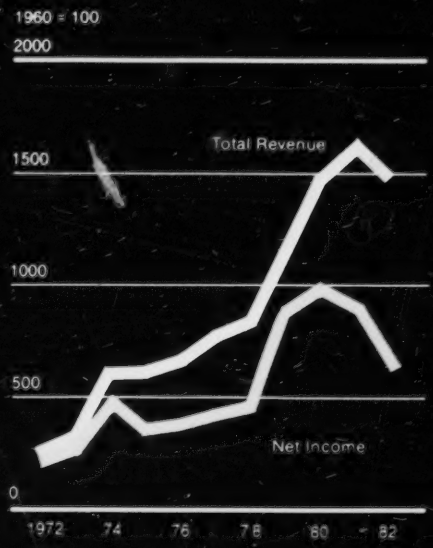
The following table contains a comparison of the Group's earning within and outside the United States for 1982 and 1981.

Net Income

	1982	1981	Change	
	Million Dollars		Million $	Percent
United States	13,439	15,916	— 2,477	— 15.6
Rest of World	8,247	12,537	— 4,290	— 34.2
Total	21,686	28,453	— 6,767	— 23.8

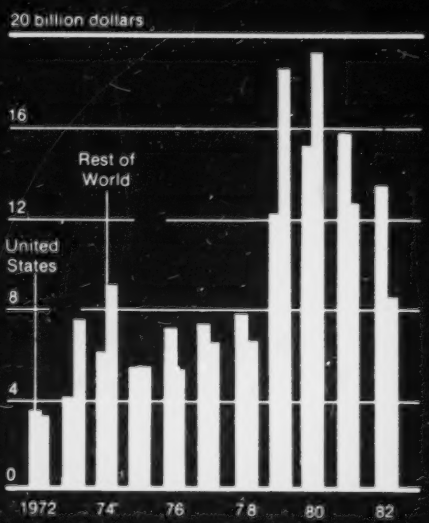


NET INCOME RELATED TO TOTAL REVENUE



NET INCOME AS A PERCENT OF TOTAL REVENUE

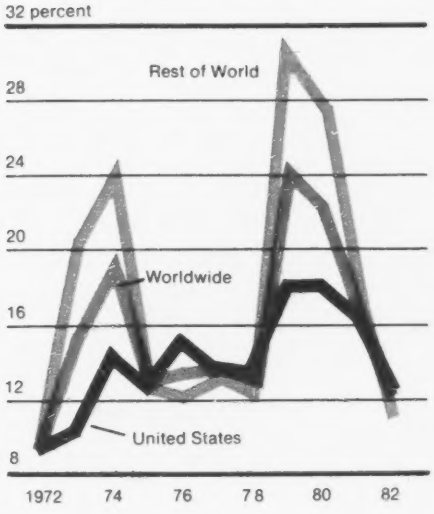
NET INCOME UNITED STATES VERSUS REST OF WORLD



UNITED STATES AS A PERCENT OF TOTAL

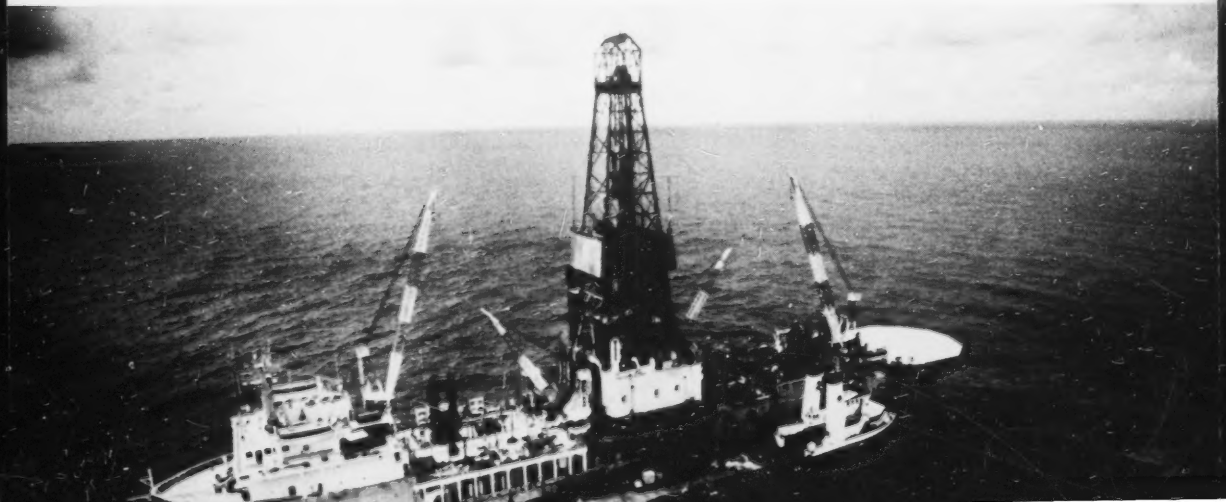
CASH EARNINGS COMPARED TO TOTAL FUNDS USED

RETURN ON AVERAGE SHAREHOLDERS' EQUITY



Rate Of Return

The sizeable reduction in 1982 profits caused the Group's rate of return on average shareholder's equity on a worldwide basis to plunge from 16.7 percent in 1981 to 12.1 percent in 1982. At this level, the rate of return was the lowest earned by the Group in a decade. For the United States, the return dropped to 12.8 percent, from 16.5 percent the prior year. Outside the United States, the fall in the rate of return was more pronounced, from 17.1 percent to 11.2 percent.

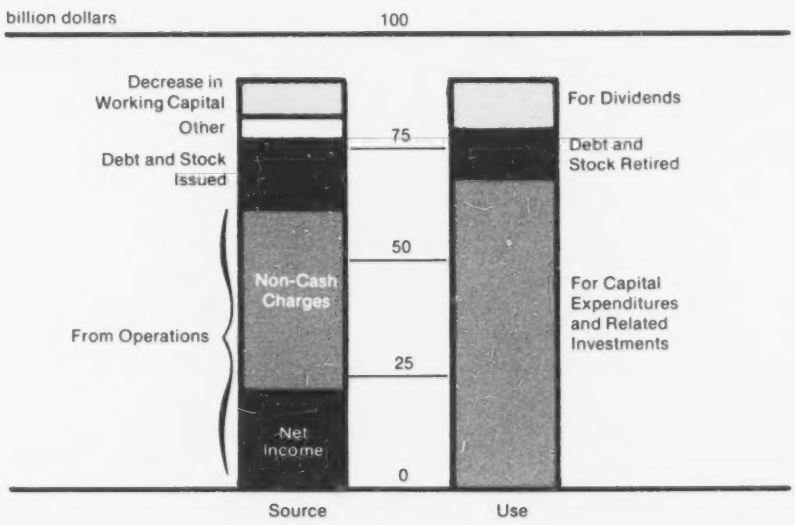


Sources

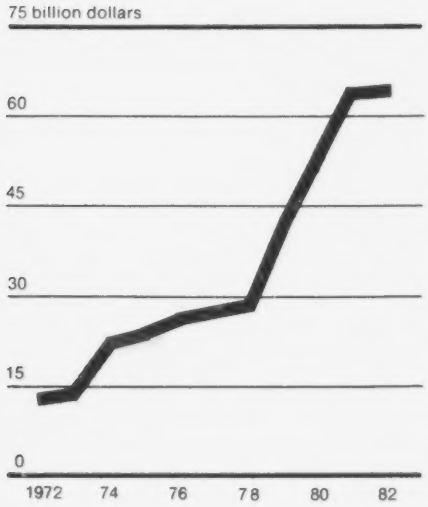
During 1982, the various sources of funds provided a total of $82.6 billion — $1.1 billion more than the prior year — to allocate for capital investments, to repay borrowed capital, and for distribution of dividends. Because it was reduced substantially in 1982, the proportion provided by the Group's net income dropped significantly from 35 percent of the total in 1981 to 26 percent. Never before has the percentage contribution from earnings been that low. The proportional representation of net income to the total funds available has been on a steep decline since 1979 and 1980, when it registered 43 percent and 41 percent, respectively. Write-off provisions for the recovery of capital, including depreciation, depletion and amortization, generated 37 percent, up from 32 percent the year before. Other non-cash charges accounted for about 11 percent, the same as the previous year. In total, these internally generated funds supplied 74 percent of the Group's available capital as opposed to 78 percent in 1981.

Externally, the Group received $15.4 billion from the capital markets, nearly all of which was long-term debt. In addition, the Group realized $6.3 billion, $4.6 more than in 1981, from various other transactions, including the disposal of assets.

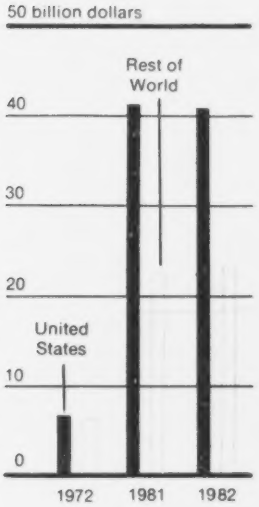
SOURCE AND USE OF FUNDS IN 1982



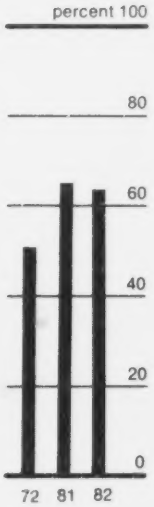
GROUP'S CAPITAL EXPENDITURES



UNITED STATES AND REST OF WORLD

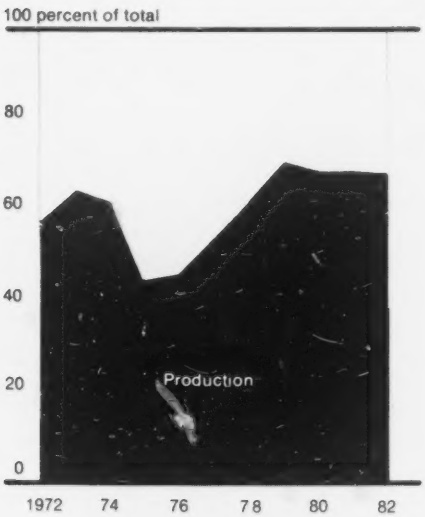


UNITED STATES SHARE



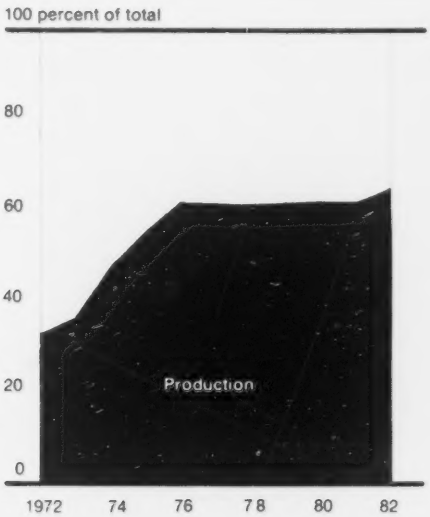
GROUP'S CAPITAL EXPENDITURES

United States



GROUP'S CAPITAL EXPENDITURES

Rest of World



Uses

Capital Expenditures

After soaring to unprecedented levels, with dramatic increases annually for the past few years, the Group's capital expenditures in 1982 leveled off at $64.5 billion, only $562 million, or less than 1 percent, above the 1981 mark. Undoubtedly, the steep decline in earnings in 1982, as well as 1981, had a restraining influence on the Group's capital investments. As in 1981, approximately two-thrids of the total capital outlay was devoted to the production function for locating and developing additional petroleum resources. Totaling $43.3 billion in 1982, these investments exceeded the 1981 level by just about one-half billion dollars. The expenditures for transportation purposes dropped by $663 million to $1.3 billion, with all categories (pipelines, tankers and other transportation facilities) registering lower levels of investment. The capital allocated to the processing segment for refineries and petrochemical plants rose from $9.3 billion in 1981 to $9.8 billion, in spite of the continuing depressed demand for petroleum products. In the marketing component, the funds invested were reduced somewhat to $3 billion from $3.2 billion a year earlier. Additional investments for both petroleum-related and non-petroleum purposes such as coal, nuclear, other minerals and various different business activities rose insignificantly from $6.7 billion to $7 billion.

Although fractionally lower than in the previous year, the Group's capital expenditures continued to be heavily concentrated in the United States, as shown in this table.

Worldwide Capital Expenditures

	1982	1981	Change	
	Million Dollars		Million $	Percent
United States	40,958	41,457	— 499	— 1.2
Rest of World	23,580	22,519	+ 1,061	+ 4.7
Total	64,538	63,976	+ 562	+ 0.9

Of the nearly $41 billion invested in the United States, over $28 billion was related to the production segment. At that level, production spending in the United States accounted for 65 percent of the Group's worldwide spending for that

purpose and 69 percent of the outlay for all purposes in the United States. The production and transportation investments were each down by about one-half billion dollars in 1982, while the expenditure for refineries and chemical plants was up by almost the same amount. A comparison of the Group's capital expenditures in the United States for 1982 and 1981 is presented in the following table.

United States Capital Expenditures

	1982	1981	Change	
	Million Dollars		Million $	Percent
Production	28,050	28,568	— 518	— 1.8
Transportation	871	1,350	— 479	— 35.5
Refineries & Chemical Plants	6,172	5,783	+ 389	+ 6.7
Marketing	1,142	1,223	— 81	— 6.6
Other	4,723	4,533	+ 190	+ 4.2
Total	40,958	41,457	— 499	— 1.2

In the rest of the world, the Group's investment in the production sector rose by $1.1 billion to $15.3 billion and represented 65 percent of the total investment outside the United States. Relatively minor increases and decreases were recorded in the remaining downstream segments, offsetting each other. Thus, the upstream function was essentially responsible for the gain outside of the United States.

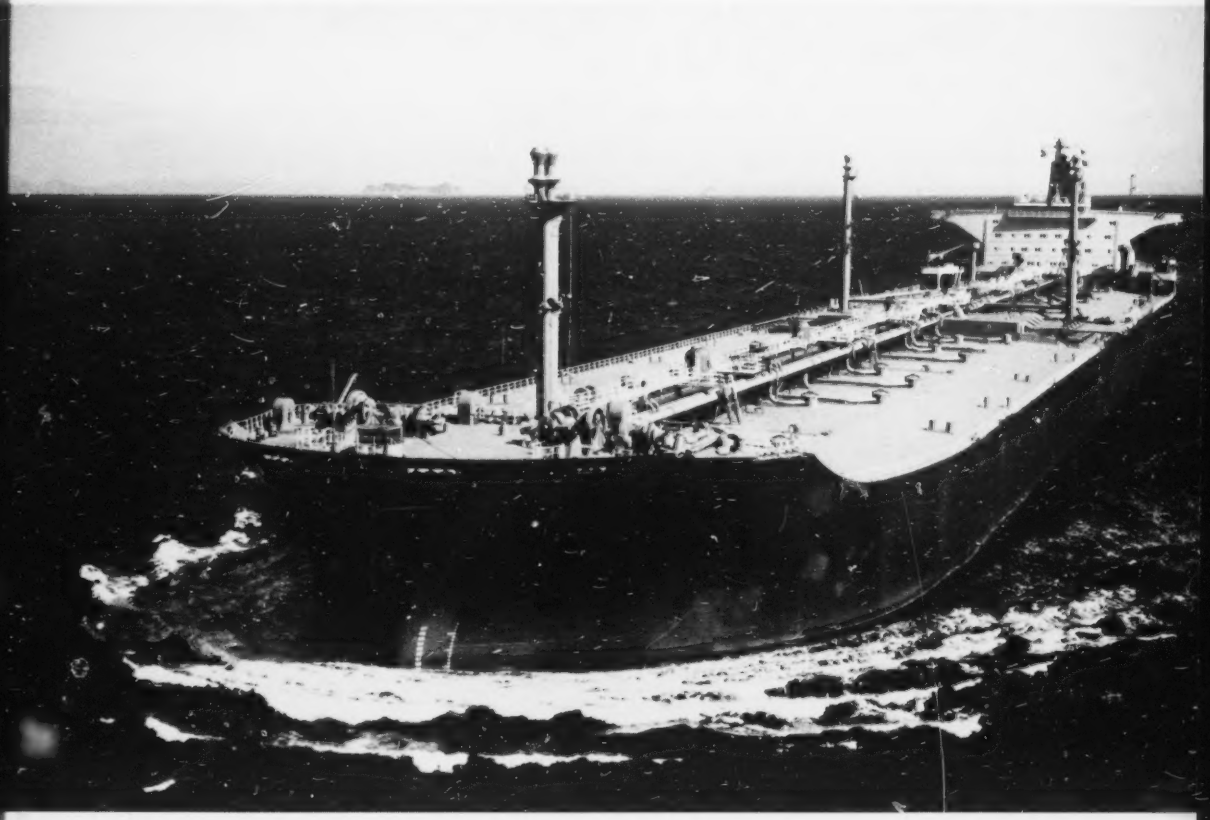
The Group's 1982 investment program in the rest of the world and the changes over the year before is detailed in the next table.

Rest of World Capital Expenditures

	1982	1981	Change	
	Million Dollars		Million $	Percent
Production	15,278	14,217	+ 1,061	+ 7.5
Transportation	473	657	— 184	— 28.0
Refineries & Chemical Plants	3,665	3,535	+ 130	+ 3.7
Marketing	1,853	1,943	— 90	— 4.6
Other	2,311	2,167	+ 144	+ 6.7
Total	23,580	22,519	+ 1,061	+ 4.7

Dividends & Other Uses

The amount of funds disbursed to shareholders in the form of dividends was nearly unchanged, rising from $10.4 billion to $10.5 billion. However, because of the substantial reduction in earnings during 1982, the dividend payout relative to net income rose to 48.5 percent from 36.5 percent in 1981. The inevitable consequence of growing indebtedness, as experienced by the Group over the years, is the requirement to meet debt repayments when due in increasingly larger amounts. In 1982, repayment of long-term debt rose to $9.3 billion compared to $8.7 billion in the prior year. The Group also applied $1.2 billion to the retirement of stock, slightly less than the $1.3 billion used for that purpose in 1981. Investments and advances to other companies, primarily affiliated companies, were also reduced from $4.9 billion the year before to $3.7 billion. Altogether, the Group disposed of $90 billion in 1982 compared to the $82.6 billion generated from various sources. To provide for this deficiency the Group reduced its working capital by $7.4 billion.



Working Capital

For the second year in succession, the Group's working capital registered a major decline, slipping by $7.4 billion to $26.5 billion, a reduction of 21.9 percent.

Working Capital

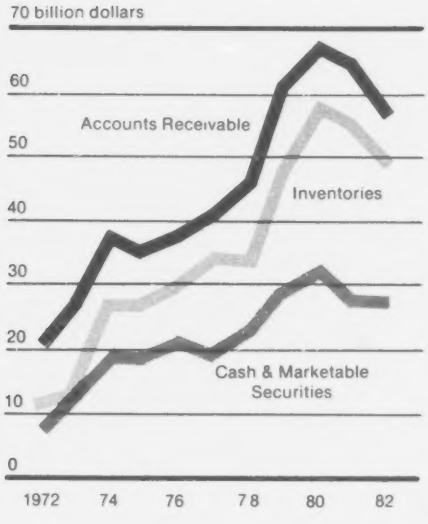
	12/31/82	12/31/81	Change	
	Million Dollars		Million $	Percent
Current Assets	138,614	154,279	— 15,665	— 10.1
Current Liabilities	112,149	120,392	— 8,243	— 6.8
Working Capital	26,465	33,887	— 7,422	— 21.9
Current Ratio	1.24	1.28	—	—

Although current assets and current liabilities were both reduced, principally because of the lower demand for petroleum products in 1982, current assets dropped by an amount almost twice the decline in current liabilities. Accounts and notes receivable, the largest major item category in current assets, recorded the largest reduction — $8.6 billion — to $56.9 billion. A reduction in the volume of inventories maintained by the Group to levels more appropriate to the reduction in demand caused inventory values at year-end to drop by $6.4 billion to $49.2 billion. In the remaining two major current asset segments, cash and marketable securities, the change was negligible, closing the year at $14.4 billion and $12.9 billion, respectively.

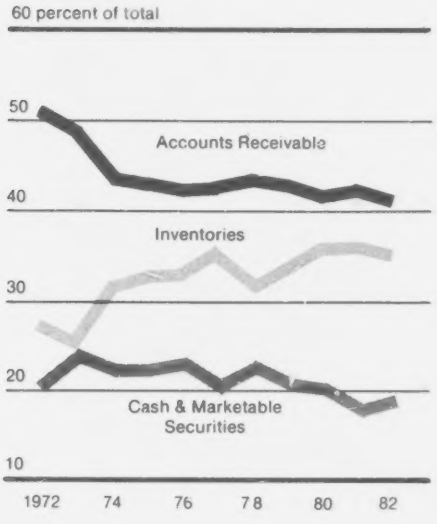
The only substantial decline in current liabilities — $9.1 billion — occurred in accounts payable, reducing this category to $56.4 billion. The drop in notes and loans payable as well as taxes payable was not significant. The much larger decrease in current assets compared to current liabilities caused the current ratio (ratio of current assets to current liabilities) to slide further from last year's all-time low of 1.28 to 1.24.

At year-end 1982 the capital employed had risen by $11.8 billion over the year before to a total of $249.2 billion. The majority of the gain was recorded in the Group's invested capital, or shareholder's equity, primarily as a consequence of

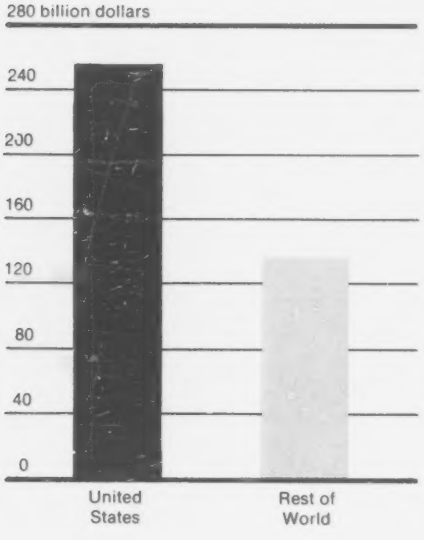
CURRENT ASSETS



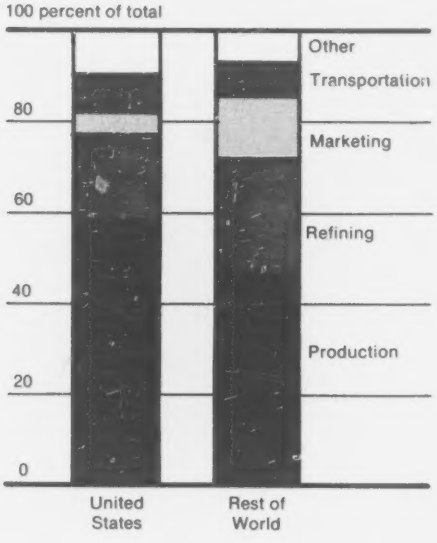
DISTRIBUTION OF CURRENT ASSETS



GROSS INVESTMENT IN FIXED ASSETS AT END OF 1982



BY SECTOR



the retained portion of the year's earnings. Most of the remaining increase resulted from the growth in the Group's long-term debt. In relation to the total capital employed, long-term debt represented 21.8 percent, up slightly from 21.3 percent at the end of 1981. A breakdown of the capital employed at the close of 1982 and 1981 with the related changes is shown in the following table.

Capital Employed

	12/31/82	12/31/81	Change	
	Million Dollars		Million $	Percent
Long-Term Debt	54,429	50,575	+ 3,854	+ 7.6
Minority Interests	12,471	11,619	+ 852	+ 7.3
Invested Capital	182,313	175,203	+ 7,110	+ 4.1
Total Capital Employed	249,213	237,397	+ 11,816	+ 5.0

Statistical Tables

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SECTION TWO – CURRENT DATA

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26 Refinery Crude Runs

27 Income Statement

27 Distribution of Total Revenue Dollar

28 Rates of Return

28 Source and Use of Working Capital

29 Expenditures for Fixed Assets

29 Capital and Exploration Expenditures

30 Balance Sheet

30 Earnings Reinvested and Employed

31 Net Assets

31 Working Capital

32 Investment in Fixed Assets

Photographs used in this study were furnished through the courtesy of Exxon Corporation.

SECTION ONE — HISTORICAL DATA

A Income Statement

	1971	1972	1973	1974
	Million Dollars			
Total Revenue	94,485	102,534	129,237	236,815
Deductions:				
Operating Costs and Other Expenses	68,236	73,851	89,519	172,464
Taxes Other Than Income Taxes	4,039	4,652	5,686	6,667
Write-offs	6,861	7,297	8,064	9,829
Income Taxes	8,224	10,053	14,564	31,805
Total Deductions	87,360	95,853	117,833	220,765
Net Income — Worldwide	7,125	6,681	11,404	16,050
United States	3,372	3,526	4,008	6,119
Rest of World	3,753	3,155	7,396	9,931

B Rates of Return *

Average Shareholders' Equity — Worldwide	10.9	9.7	15.5	19.2
United States	9.3	9.5	10.5	14.4
Rest of World	12.8	9.8	20.8	24.2
Average Capital Employed	10.4	9.3	14.0	17.4
Average Total Assets	6.3	5.5	8.6	10.0
Average Gross Fixed Assets	17.4	18.5	24.7	37.8

*See page 28 for components included in rates of return calculations.

C Source and Use of Working Capital

Funds Available From:				
Cash Earnings (a)	14,389	14,377	20,623	28,165
Long-Term Debt and Stock Issued	5,059	4,632	4,786	6,232
Sale of Assets and Other Transactions	743	1,787	2,588	4,345
Total	20,191	20,796	27,997	38,742
Funds Used For:				
Capital Expenditures	12,511	12,717	14,247	22,270
Investments and Advances	972	751	381	894
Dividends	3,836	3,774	4,056	4,681
Long-Term Debt and Stock Retired	2,029	3,258	4,023	4,262
Total	19,348	20,500	22,707	32,107
Change in Working Capital	843	296	5,290	6,635

(a) Represents Net Income, Writeoffs and Other Non-Cash Charges.

1975	1976	1977	1978	1979	1980	1981	1982
			Million Dollars				
237,169	267,077	307,821	336,255	449,394	582,636	626,783	584,925
179,706	211,318	244,899	268,690	344,834	455,516	494,491	466,917
8,498	7,862	9,239	10,898	14,337	23,160	37,265	35,562
10,807	10,838	12,524	15,077	18,564	22,021	26,293	30,591
27,005	24,432	27,174	27,040	41,039	47,819	40,281	30,169
226,016	254,450	293,836	321,705	418,774	548,516	598,330	563,239
11,153	12,627	13,985	14,550	30,620	34,120	28,453	21,686
5,623	7,165	7,420	7,968	12,237	15,073	15,916	13,439
5,530	5,462	6,565	6,582	18,383	19,047	12,537	8,247
12.4	13.5	13.8	13.1	24.0	22.3	16.7	12.1
12.3	15.0	13.9	13.6	18.0	18.0	16.5	12.8
12.4	12.0	13.6	12.6	31.0	27.6	17.1	11.2
11.8	12.6	13.0	13.1	21.6	20.6	16.4	12.6
6.0	6.4	6.4	6.1	11.0	10.2	7.5	5.6
29.9	27.6	27.9	26.1	35.3	33.9	27.2	21.5
22,714	25,828	29,003	33,184	55,844	64,859	63,207	60,884
10,129	10,310	8,678	4,930	8,568	11,900	16,585	15,430
1,217	2,426	4,424	5,226	6,984	5,862	1,723	6,283
34,060	38,564	42,105	43,340	71,396	82,621	81,515	82,597
24,205	26,036	27,156	28,770	42,229	53,776	63,976	64,538
1,740	829	1,508	1,562	2,473	2,613	4,867	3,731
4,819	5,208	5,995	6,781	8,127	10,305	11,068	11,265
5,316	5,230	5,954	6,885	8,249	9,728	10,020	10,485
36,080	37,303	40,613	43,998	61,078	76,422	89,931	90,019
−2,020	1,261	1,492	− 658	10,318	6,199	−8,416	−7,422

SECTION ONE — HISTORICAL DATA

D Expenditures for Fixed Assets

	1971	1972	1973	1974
	Million Dollars			
United States:				
Crude Oil and Natural Gas (a)	2,423	3,669	4,614	7,877
Natural Gas Liquids Plants	156	115	120	182
Pipe Lines	267	187	238	1,254
Marine	97	58	85	73
Other Transportation	73	50	59	68
Refineries and Chemical Plants	1,386	1,187	1,229	2,314
Marketing	1,294	987	730	527
Other	310	254	271	589
Total	6,006	6,507	7,346	12,884
Rest of World:				
Crude Oil and Natural Gas (a)	1,840	2,001	2,480	4,490
Natural Gas Liquids Plants	159	104	71	127
Pipe Lines	145	111	84	79
Marine	733	782	1,447	1,677
Other Transportation	6	6	9	13
Refineries and Chemical Plants	2,183	1,812	1,565	1,898
Marketing	1,305	1,211	1,068	948
Other	134	183	177	154
Total	6,505	6,210	6,901	9,386

(a) Excludes exploration expenses and lease rentals charged to income account.

E Balance Sheet

Current Assets	38,541	41,618	54,654	84,783
Property, Plant and Equipment (Net)	69,753	72,904	77,369	88,576
Other Assets	13,377	14,205	14,414	14,913
Total Assets	121,671	128,727	146,437	188,272
Current Liabilities	25,051	27,832	35,578	59,072
Long-Term Debt	19,760	21,109	21,978	24,636
Other Liabilities	5,750	6,835	8,322	11,156
Minority Interests	2,826	2,918	3,141	3,906
Shareholders' Equity	68,284	70,033	77,418	89,502
Total Liabilities & Net Worth	121,671	128,727	146,437	188,272
Working Capital	13,490	13,786	19,076	25,711
Current Ratio	1.54	1.50	1.54	1.44
Debt to Total Capital Employed (percent)	21.8	22.4	21.4	20.9

1975	1976	1977	1978	1979	1980	1981	1982
			Million Dollars				
6,037	7,456	8,534	9,753	18,381	21,861	27,901	26,983
244	250	238	286	358	564	667	1,067
3,292	3,321	1,530	329	329	690	482	401
144	189	444	182	285	483	563	375
77	137	115	206	276	358	305	95
2,941	3,608	3,273	3,234	3,703	4,598	5,783	6,172
564	504	641	729	807	1,097	1,223	1,142
654	731	1,321	1,374	2,065	2,966	4,533	4,723
13,953	16,196	16,096	16,093	26,204	32,617	41,457	40,958
5,657	6,027	6,669	7,674	10,018	13,269	14,122	15,156
110	178	288	219	60	100	95	122
72	21	47	47	25	57	67	50
1,307	862	675	312	517	730	568	411
26	8	5	14	79	16	22	12
1,924	1,617	1,850	2,288	2,640	3,469	3,535	3,665
877	908	1,089	1,436	1,675	2,124	1,943	1,853
279	219	437	687	1,011	1,394	2,167	2,311
10,252	9,840	11,060	12,677	16,025	21,159	22,519	23,580
82,147	89,811	96,496	104,621	141,035	161,445	154,279	138,614
96,044	107,256	124,649	142,640	168,158	200,040	227,069	251,856
17,882	18,715	20,662	20,251	21,580	26,585	30,496	33,078
196,073	215,782	241,807	267,512	330,773	388,070	411,844	423,548
58,456	64,859	70,052	78,835	104,931	119,142	120,392	112,149
29,651	35,126	38,790	39,392	42,029	45,619	50,575	54,429
13,493	16,108	21,479	27,351	34,816	46,379	54,055	62,186
3,535	3,725	4,453	6,784	9,053	11,479	11,619	12,471
90,938	95,964	107,033	115,150	139,944	165,451	175,203	182,313
196,073	215,782	241,807	267,512	330,773	388,070	411,844	423,548
23,691	24,952	26,444	25,786	36,104	42,303	33,887	26,465
1.41	1.39	1.38	1.33	1.34	1.36	1.28	1.24
23.9	26.1	25.8	24.4	22.0	20.5	21.3	21.8

SECTION TWO — CURRENT DATA

1 Source of Crude Oil

	1982	1981	Change TBD	Change Percent
	Thousand Barrels Per Day			
United States	5,841	5,787	+ 54	+ 0.9
Canada	806	846	— 40	— 4.7
Venezuela	524	483	+ 41	+ 8.5
Other Western Hemisphere	633	526	+ 107	+20.3
Western Hemisphere	7,804	7,642	+ 162	+ 2.1
Europe	2,005	1,781	+ 224	+12.6
Africa	1,245	1,690	— 445	—26.3
Middle East	5,464	8,437	—2,973	—35.2
Far East	1,190	1,327	— 137	—10.3
Eastern Hemisphere	9,904	13,235	—3,331	—25.2
Total World-wide (a)	17,708	20,877	—3,169	—15.2

Note: The above figures include 100% of operations of companies and consolidated subsidiaries and equity in foreign operations of non-consolidated affiliates based on percentage of stock ownership, plus purchases from governments.

(a) Figures expressed in million barrels are as follows:

	1982	1981
United States	2,132	2,112
Other Countries	4,331	5,508
Total	6,463	7,620

2 Refinery Crude Runs

	1982	1981	Change TBD	Change Percent
	Thousand Barrels Per Day			
United States	9,045	9,585	— 540	— 5.6
Canada	1,174	1,375	— 201	—14.6
Venezuela	0	0	0	0
Other Western Hemisphere	1,324	1,421	— 97	— 6.8
Western Hemisphere	11,543	12,381	— 838	— 6.8
Europe	5,565	6,111	— 546	— 8.9
Africa	278	305	— 27	— 8.8
Middle East	180	187	— 7	— 3.7
Far East	2,512	2,567	— 55	— 2.1
Eastern Hemisphere	8,535	9,170	— 635	— 6.9
Total World-wide (a)	20,078	21,551	—1,473	— 6.8

Note: The above figures include 100% of operations of companies and consolidated subsidiaries and equity in foreign operations of non-consolidated affiliates based on percentage of stock ownership.

(a) Figures expressed in million barrels are as follows:

	1982	1981
United States	3,302	3,499
Other Countries	4,027	4,367
Total	7,329	7,866

3 Income Statement

	1982	1981	Percent Change
	Million Dollars		
Gross Operating Revenue	573,889	613,888	– 6.5
Non-Operating Revenue	11,036	12,895	– 14.4
Total Revenue	584,925	626,783	– 6.7
Operating Costs and Expenses	457,956	485,268	– 5.6
Taxes Other than Income Taxes (a)	35,562	37,265	– 4.6
Write-offs	30,591	26,293	+ 16.4
Interest Expense	7,328	7,494	– 2.2
Other Charges	61	53	+ 15.1
Total Deductions	531,498	556,373	– 4.5
Net Income before Income Taxes	53,427	70,410	– 24.1
Estimated Income Taxes	30,169	40,281	– 25.1
Income Applicable to Minority Interests	1,572	1,676	– 6.2
Net Income (b) (c)	21,686	28,453	– 23.8

(a) Excludes $45,140 million in 1982 and $45,981 million in 1981 representing sales and excise taxes on gasoline and other refined products, which are collected from customers and accounted for to United States federal, state and city authorities, and to other governments. Such taxes are deducted before arriving at gross operating revenue.

(b) Excludes $190 million of extraordinary profit in 1982 and $135 million in 1981.

(c) Includes earnings from operations outside U.S.: 1982 — $8,247 million and 1981 — $12,537 million.

4 Distribution of Total Revenue Dollar

	1982	1981
	Cents	
Operating Costs and Expenses	78.3	77.4
Write-offs	5.2	4.2
Interest	1.3	1.2
All Taxes	11.2	12.4
Income Applicable to Minority Interests	0.3	0.3
Dividends to Stockholders	1.8	1.7
Reinvested in Business	1.9	2.8
Total Revenue	100.0	100.0

SECTION TWO — CURRENT DATA

5 Rates of Return

	1982	1981
	Million Dollars	
Average Capital Employed (a)	243,305	229,974
Earnings (b)	30,586	37,623
Return	12.6	16.4
Average Shareholders' Equity (c)	178,758	170,327
Earnings (d)	21,686	28,453
Return	12.1	16.7
Average Total Assets	417,696	399,957
Earnings (e)	23,258	30,129
Return	5.6	7.5
Average Gross Fixed Assets	373,135	336,466
Gross Operating Profit (f)	80,371	91,355
Return	21.5	27.2

(a) Includes long-term debt, preferred stock, common stock, surplus and equity of minority interests.

(b) Represents net income plus interest charges and income applicable to minority interests.

(c) Includes preferred stock, common stock and surplus.

(d) Represents net income.

(e) Represents net income plus income applicable to minority interests.

(f) Represents gross operating revenue less operating costs and expenses and taxes — other than income taxes.

6 Source and Use of Working Capital Year 1982

	Million Dollars	Percent Distribution
Funds Available From:		
Cash Earnings (a)	60,884	73.7
Long-Term Debt Issued	14,980	18.1
Preferred and Common Stock Issued	450	0.6
Sales of Assets and Other Transactions	6,283	7.6
Total	82,597	100.0
Funds Used For:		
Capital Expenditures	64,538	78.1
Investments and Advances	3,731	4.5
Dividends to Companies' Shareholders	10,525	12.8
Dividends to Minority Interests	740	0.9
Long-Term Debt Repaid	9,281	11.2
Preferred and Common Stock Retired	1,204	1.5
Total	90,019	109.0
Change in Working Capital	−7,422	−9.0

(a) Represents:

	Million Dollars
Net Income	21,686
Write-offs	30,591
Other Non-Cash Charges (net)	8,607
Cash Earnings	60,884

7 Expenditures for Fixed Assets Year 1982

By Function —	United States	Other Countries	Combined
	Million Dollars		
Production:			
Crude Oil and Natural Gas (a)	26,983	15,156	42,139
Natural Gas Liquids Plants	1,067	122	1,189
Total	28,050	15,278	43,328
Transportation:			
Pipe Lines	401	50	451
Marine	375	411	786
Other	95	12	107
Total	871	473	1,344
Refineries and Chemical Plants	6,172	3,665	9,837
Marketing	1,142	1,853	2,995
Others	4,723	2,311	7,034
Total	40,958	23,580	64,538

(a) Excludes exploration expenses and lease rentals charged to income account.

By Area —	1982	1981	1980	1979
	Million Dollars			
United States	40,958	41,457	32,617	26,204
Canada	3,499	3,174	3,253	3,057
Venezuela	0	0	0	0
Other Western Hemisphere	1,529	1,362	910	618
Western Hemisphere	45,986	45,993	36,780	29,879
Europe	10,915	11,303	11,895	8,549
Africa	2,510	2,281	1,787	1,387
Middle East	573	415	392	706
Far East	4,554	3,984	2,922	1,708
Eastern Hemisphere	18,552	17,983	16,996	12,350
Total	64,538	63,976	53,776	42,229

8 Capital and Exploration Expenditures Year 1982

	United States	Other Countries	Combined
	Million Dollars		
Production Expenditures*	22,965	12,382	35,347
Dry Holes	4,018	2,774	6,792
Total	26,983	15,156	42,139
Geological and Geophysical Expenses and Lease Rentals	3,919	2,388	6,307
Total Production and Exploration Cost.	30,902	17,544	48,446
Other Capital Expenditures	13,975	8,424	22,399
Other Mining Expenses	235	162	397
Capital and Exploration Expenditures	45,112	26,130	71,242

*Excludes expenditures for Natural Gas Liquids Plants.

SECTION TWO — CURRENT DATA

9 Balance Sheet

Assets	12/31/82	12/31/81	12/31/82	12/31/81
	Million Dollars		Percent Distribution	
Current Assets	138,614	154,279	32.7	37.5
Investments and Advances	21,154	20,134	5.0	4.9
Property, Plant and Equipment (a)	251,856	227,069	59.5	55.1
Other Assets	11,924	10,362	2.8	2.5
Total Assets	423,548	411,844	100.0	100.0
Liabilities and Net Worth				
Current Liabilities	112,149	120,392	26.5	29.3
Long-Term Debt	54,429	50,575	12.9	12.3
Deferred Credits	45,496	40,901	10.7	9.9
Other Reserves	16,690	13,154	3.9	3.2
Minority Interests	12,471	11,619	3.0	2.8
Shareholders' Equity:				
Preferred Stock	458	471	0.1	0.1
Common Stock	11,203	11,981	2.6	2.9
Capital Surplus	13,512	10,056	3.2	2.4
Earnings Reinvested in Business	157,140	152,695	37.1	37.1
Shareholders' Equity	182,313	175,203	43.0	42.5
Total Liabilities and Shareholders' Equity	423,548	411,844	100.0	100.0

(a) After deducting accumulated reserves of $140,206 million in 1982 and $127,139 million in 1981.

10 Earnings Reinvested and Employed

	Million Dollars
Balance at December 31, 1981	152,695
Add: Net Income	21,686
	174,381
Less: Cash Dividends	10,525
Stock Dividends	0
Other Charges	6,716
Balance at December 31, 1982	157,140

11 Net Assets Year 1982

	United States	Other Countries	Combined
	Million Dollars		
Working Capital	5,742	20,723	26,465
Investments and Advances	8,095	13,059	21,154
Property, Plant and Equipment (a)	164,404	87,452	251,856
Other Assets	7,218	4,706	11,924
	185,459	125,940	311,399
Less: Long-Term Debt	35,954	18,475	54,429
Other Reserves and Credits	32,644	29,542	62,186
Minority Interests	8,219	4,252	12,471
Preferred Stock	410	48	458
Total Net Assets	108,232	73,623(b)	181,855
Percent Distribution	59.5	40.5	100.0

(a) After deducting accumulated reserves of $91,571 million for United States facilities and $48,635 million for facilities of other countries.

(b) Distribution by areas:

	Million Dollars	Percent of Total
Western Hemisphere	16,075	21.8
Eastern Hemisphere	57,548	78.2
Total	73,623	100.0

12 Working Capital

	12/31/82	12/31/81	Change	12/31/82	12/31/81
	Million Dollars			Percent Distribution	
Cash	14,444	15,244	– 800	10.4	9.9
Marketable Securities	12,922	12,499	+ 423	9.3	8.1
Accounts and Notes Receivable (net)	56,947	65,543	– 8,596	41.1	42.5
Inventories:					
Crude Oil, Refined Products and Other Merchandise	41,139	47,670	– 6,531	29.7	30.9
Materials and Supplies	8,104	7,964	+ 140	5.8	5.1
All Other	5,058	5,359	– 301	3.7	3.5
Total Current Assets	138,614	154,279	–15,665	100.0	100.0
Accounts Payable	56,360	65,438	– 9,078	50.3	54.4
Notes and Loans Payable	22,267	22,906	– 639	19.8	19.0
Income and Other Taxes	17,639	18,559	– 920	15.7	15.4
All Other	15,883	13,489	+ 2,394	14.2	11.2
Total Current Liabilities	112,149	120,392	– 8,243	100.0	100.0
Working Capital	26,465	33,887	– 7,422	–	–
Ratio of C.A. to C.L.	1.24	1.28	–	–	–

13 Investment in Fixed Assets December 31, 1982

By Function –	Gross			Net		
	United States	Other Countries	Combined	United States	Other Countries	Combined
	Million Dollars			Million Dollars		
Production:						
Crude Oil and Natural Gas	142,879	62,412	205,291	88,645	44,126	132,771
Natural Gas Liquids Plants	6,198	1,901	8,099	3,608	1,254	4,862
Total	149,077	64,313	213,390	92,253	45,380	137,633
Transportation:						
Pipe Lines	14,918	832	15,750	10,066	468	10,534
Marine	4,187	8,286	12,473	2,797	5,170	7,967
Other	1,876	137	2,013	991	83	1,074
Total	20,981	9,255	30,236	13,854	5,721	19,575
Refineries and Chemical Plants	50,041	33,595	83,636	31,206	18,205	49,411
Marketing	12,947	19,107	32,054	8,173	10,332	18,505
Others	22,929	9,817	32,746	18,918	7,814	26,732
Total	255,975	136,087	392,062	164,404	87,452	251,856

By Area –	12/31/82		12/31/81	
	Gross	Net	Gross	Net
	Million Dollars		Million Dollars	
United States	255,975	164,404	225,028	142,994
Canada	22,239	15,205	21,057	14,103
Venezuela	10	–24	11	2
Other Western Hemisphere	7,774	4,315	6,941	4,177
Western Hemisphere	285,998	183,900	253,037	161,276
Europe	78,234	49,555	76,971	50,180
Africa	8,789	5,507	7,817	4,766
Middle East	1,964	1,121	1,844	908
Far East	17,077	11,773	14,539	9,939
Eastern Hemisphere	106,064	67,956	101,171	65,793
Total	392,062	251,856	354,208	227,069

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